

air carrier provided the aggregate credits to this account in each function do not, for any accounting year, distort the individual objective accounts of the function to which related and all expense credits applicable to complete individual transactions are consistently credited either to this account or the individual objective accounts to which related. Each air carrier using this account shall establish such standard practices as may be prescribed by the BTS or, in the absence of such action by the Civil Aeronautics Board, such standard practices as will prevent credits to this account from significantly distorting the individual objective accounts of each function to which related.

(c) This account shall not be credited with amounts applicable to objective accounts of the Flying Operations, Depreciation, and Direct Maintenance functions. Credits applicable to such functions shall be carried to the individual objective accounts to which applicable.

(d) This account shall be subdivided as follows by all air carrier groups:

77.8 *Uncleared Interchange Expense Credits.*

Record here credits to operating expenses, from operations performed for others under aircraft interchange agreements, which have not been cleared to the objective accounts to which applicable.

77.9 *Other Uncleared Expense Credits.*

Record here credits to operating expenses, from other than operations under aircraft interchange agreements, which have not been cleared to the objective accounts to which applicable.

[ER-755, 37 FR 19726, Sept. 21, 1972, as amended at 60 FR 66723, Dec. 26, 1995]

78 Direct Maintenance—Flight Equipment.

This classification is established for purposes of control by the BTS and shall include all charges to operating expenses for maintenance of flight equipment of all types and classes.

[ER-755, 37 FR 19726, Sept. 21, 1972, as amended at 60 FR 66723, Dec. 26, 1995]

79 Applied Burden Debit/Credit.

(a) This classification is established only for purposes of control by the BTS and reporting on Form 41 by air car-

riers, and shall reflect all maintenance burden applied in accordance with the provisions of section 24, schedule P-5 of this system of accounts and reports.

(b) This classification shall be subdivided as follows by all air carrier groups:

79.6 Applied Burden—Flight Equipment.

79.8 Applied Burden—General Ground Property.

[ER-755, 37 FR 19726, Sept. 21, 1972, as amended by ER-979, 38 FR 10926, May 3, 1973; 60 FR 66723, Dec. 26, 1995]

Section 14—Objective Classification—Nonoperating Income and Expense

80 Interest Income.

Included under account 89 Other Nonoperating Income and Expense—Net.

[ER-1401, 50 FR 245, Jan. 3, 1985]

81 Interest on Long-term Debt and Capital Leases.

(a) Record here interest expense applicable to long-term debt and capitalized leases.

(b) This account shall be subdivided as follows by all air carrier groups:

81.1 *Interest expense—long-term debt.*

Record here interest on all classes of long-term debt. This includes interest expense applicable to all portions of long-term debt which are classified as either current (Account 2000) or long-term (Account 2210) for balance sheet classification purposes.

81.2 *Interest expense—capital leases.*

Record here for all capitalized leases, that portion of each lease payment which represents interest expense.

[ER-1013, 42 FR 37516, July 21, 1977]

82 Other Interest.

(a) This account shall be subdivided as follows by all air carrier groups:

82.1 *Interest Expense—Short-Term Debt.*

Record here interest on all classes of short-term debt.

83.1 *Imputed Interest Capitalized—Credit.*

Record here credits related to imputed interest capitalized and recorded in asset accounts.

83.2 *Imputed Interest Deferred—Debit.*

Record here debits related to imputed interest deferred in balance sheet account 2390, Other deferred credits.

83.3 Imputed Interest Deferred—Credit.

Record here periodic credits for imputed interest, cleared to this account as the amount of such interest in the asset accounts is amortized.

83.4 Interest Capitalized—Credit.

Record here interest which is capitalized and recorded in asset accounts.

84.1 Amortization of discount and expense on debt.

Record here for all classes of debt the amortizations of discount and expense on short-term and long-term obligations.

84.2 Amortization of premium on debt.

Record here for all classes of debt the amortizations of premium on short-term and long-term obligations.

(b) [Reserved]

[ER-1401, 50 FR 245, Jan. 3, 1985, as amended by Amdt. 241-58, 54 FR 5596, Feb. 6, 1989]

83 Capitalized Interest.

Included under account 82 Other Interest.

[ER-1401, 50 FR 245, Jan. 3, 1985]

84 Amortization of Debt Discount, Premium and Expense.

Included under account 82 Other Interest.

[ER-1401, 50 FR 245, Jan. 3, 1985]

85 Foreign exchange gains and losses.

Record here gains and losses from transactions involving currency translations resulting from nonroutine abnormal changes in rates of foreign exchange and gains or losses which arise from translations of long-term debt principal and interest transactions.

[Amdt. 241-58, 54 FR 5596, Feb. 6, 1989]

86 Income from Nontransport Ventures.

Included under account 89 Other Non-Operating Income and Expense—Net.

[ER-980, 42 FR 38, Jan. 3, 1977]

87 Equity in Income of Investor Controlled Companies.

Included under account 89 Other Non-operating Income and Expense—Net.

[ER-1401, 50 FR 245, Jan. 3, 1985]

89 Other Nonoperating Income and Expense—Net.

(a) Record here all debits and credits of a nonoperating character which are not otherwise provided for in this section.

(b) This account shall be subdivided as follows by all air carrier groups:

80.0 Interest Income.

(a) Record here interest income from all sources. This account shall include as an increase or reduction of interest received the proportionate amortization of any discount or premium on the purchase price of securities of others held by the air carrier.

(b) This account shall not include interest on securities issued or assumed by the air carrier and subsequently reacquired.

86.0 Income from Nontransport Ventures.

(a) Record here the gross revenues and expenses applicable to operations not reasonably considered as incidental to the commercial air transport services of the accounting entity; rents from nonoperating properties used by others; income or loss from non-transport divisions; and other income or loss from activities of the air carrier which are extraneous to the air transport and incidental services of the accounting entity.

(b) This account shall include revenues and expenses applicable to nonscheduled transport services performed for the defense establishment when separate reports for such services are required in accordance with section 21 "Introduction to System of Reports." Where the foregoing transport services are not required to be separately reported, gross revenues from such services shall be included in profit and loss account 07 Charter, or other appropriate revenue account, and gross expenses shall be included in the appropriate operating expense functions.

87.0 Equity in Income of Investor Controlled Companies.

Record here the equity in the current earnings or losses of investor controlled companies. Dividends declared on the stock of such companies shall not be included in this account as income but shall be entered in balance sheet subaccount 1510.1 Investments in Investor Controlled Companies as a return on investment.

88.1 Intercompany Transaction Adjustment—Credit.

Record here all intercompany credits for any differences between amounts at which transactions between the air carrier and its nontransport divisions or associated companies are initially recorded and are to be settled.

88.2 Dividend income.